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12-4-02
[12131/1]

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BOARD OF PATENT APPEALS AND INTERFERENCES

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In re Application of:
BRANDER et al.

: Examiner: R. Jeanty

For: ENHANCED MATCHING APPARATUS
AND METHOD FOR POST-TRADE
PROCESSING AND SETTLEMENT
OF SECURITIES TRANSACTIONS

: Art Unit: 3623

Filed: November 21, 1997

Serial No.: 08/976,159
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SUPPLEMENTAL APPEAL BRIEF

SIR:

On January 29, 2002, Appellants submitted a Notice of Appeal from the final rejection of claims 1-9 and 12-36 contained in the Final Office Action issued by the U.S. Patent and Trademark Office (the "PTO") on October 29, 2001 in the above-identified patent application. The Notice of Appeal was received by the PTO on February 19, 2002.

In accordance with 37 C.F.R. § 1.192(a), an Appeal Brief was submitted in triplicate in support of the appeal of the final rejection of claims 1-9 and 12-36.

On August 19, 2002, the Examiner issued an Office Action setting forth new grounds of rejection. In response thereto, Appellants submits this Supplemental Appeal Brief in triplicate in support of the appeal of the final rejection of claims 1-9 and 12-36.

For at least the reasons set forth below, the final rejection of claims 1-9 and 12-36 should be reversed.

1. **REAL PARTY IN INTEREST**

The real party in interest in the present appeal is Omgeo LLC. Omgeo LLC is the assignee of the entire right, title and interest in the present application.

2. **RELATED APPEALS AND INTERFERENCES**

There are no interferences or other appeals related to the present application.

3. **STATUS OF CLAIMS**

Claims 1-9, 12, 13, and 21-36 stand rejected under 35 U.S.C. § 103 as being unpatentable over "The Depository Trust Company" (the "DTC reference") in view of U.S. Patent No. 5,497,317 to Hawkins (the "Hawkins patent"). Claims 14-17 and 19-20 stand rejected over the DTC reference in view of U.S. Patent No. 6,098,051 to Lupien (the "Lupien patent"). Claim 18 stands rejected in view of the DTC reference in view of the Lupien patent, and in further view of the Hawkins patent.

Appellants appeal from the final rejection of claims 1-9 and 12-36. A copy of claims 1-9 and 12-36 is attached hereto in the Appendix.

4. **STATUS OF AMENDMENTS**

Appellants did not file an Amendment in response to the Final Office Action.

5. **SUMMARY OF THE INVENTION**

The present invention provides an enhanced matching apparatus and method to complete trade confirmation in fewer steps than the prior art while maintaining the same level of reliability. Specification, page 7, lines 3-5. The present invention matches data fields in a specially constructed NOE with data fields in a specially constructed institution instruction to generate a "matched confirmation" in two steps. Specification, page 7, lines 5-7. In this system, a matched confirmation can be automatically generated by the computer system upon a correct match. Specification, page 7, lines 8-9. Thus, the subsequent steps of a broker or computer-generated confirmation and then affirmation are no longer needed. Specification, page 7, lines 9-11. The present invention increases speed and lessens the risk of trade failure by insuring that the trades are settled within the mandated time periods for completion of settlement. Specification, page 7, lines 11-13. The system also decreases opportunities for computer or human errors, because the

matching system replaces the back and forth communication in the confirmation and affirmation (where with every communication there may be a chance for human and computer error). Specification, page 7, lines 13-16.

According to an exemplary embodiment of the present invention, in the first step after trade execution, the broker sends an NOE to a central computerized trade confirmation communication system. Fig. 2, step 101; Specification, page 7, lines 18-20. The system attempts to match the NOE against an existing institution allocation instruction. Fig. 2, step 104; Specification, page 7, lines 20-21. If no match can be found, the computer system copies the NOE information to a pending match database and communicates the NOE to the institution. Fig. 2, steps 108, 110; Specification, page 7, lines 21-23. In the second step, upon receipt of an NOE which agrees with the institution's records, the institution sends an institution allocation instruction to the system. Fig. 3, step 201; Specification, page 7, lines 23-34. The system then attempts to match specially designated data fields of the institution allocation instruction to the data fields in the stored pending NOE. Specification, page 7, lines 25-26. If all the information contained in the data fields are properly matched, the system then creates a confirmation (such as a "matched confirmation" or a "matched affirmed confirmation") using information found in the allocation instruction and NOE and, in one exemplary embodiment, information derived from a database source comprising a multitude of tables. Fig. 2, step 116, Fig. 3, step 209; Specification, page 7, lines 26-31. The system then makes this confirmation available to the institution, agent, broker and any interested parties to the trade so that the parties can effect settlement. Specification, page 7, line 31- page 8, line 2.

When compared against the prior art trade confirmation communication systems (with or without matching) the present invention in the exemplary embodiment shortens the sequence of communication required by as many as one or two communications. Specification, page 8, lines 10-13. This saves processing time and speeds the settlement process. Specification, page 8, lines 15-16.

6. ISSUES

- A. Whether claims 1-9, 12-13 and 21-36, which stand rejected under 35 U.S.C. § 103 are patentable over the DTC reference in view of the Hawkins patent.

B. Whether claims 14-17 and 19-20, which stand rejected under 35 U.S.C. § 103, are patentable over the DTC reference in view of the Lupien patent.

C. Whether claim 18, which stands rejected under 35 U.S.C. § 103 is patentable over the DTC reference in view of the Lupien patent and in further view of the Hawkins patent.

7. **GROUPING OF CLAIMS**

ISSUE A:

Group I: Claims 1-8, 21, 29, 30, 33 and 34

Group II: Claim 9, 12, 22-28, 35 and 36

Group III: Claim 13

Group IV: Claims 31 and 32

With respect to Issue A, claims within each Group stand or fall together with the other claims of that Group. However, each Group of claims does not stand or fall together with any other Group of claims.

ISSUE B:

Group I: 14-17 and 19-20

With respect to Issue B, the claims of Group I stand or fall together with the other claims of Group I.

ISSUE C:

Group I: Claim 18

8. **ARGUMENTS**

A. ISSUE A

Claims 1-9, 12, 13, 21-36 stand rejected under 35 U.S.C. § 103 as being obvious over the DTC reference in view of the Hawkins patent. It is respectfully submitted that the DTC reference and the Hawkins patent do not render any of claims 1-9, 12, 13, 21-36 obvious, for at least the following reasons.

1. Group I

Claim 1 is directed to a system for settlement of a securities trade. The recited system includes a processing computer that receives a communication from a broker containing a notice of order execution information ("NOE"), receives a communication from an institution containing institution allocation information ("II"). This processing computer not only matches the communications, but also generates a trade confirmation (based on information in both communications, and from a standing instructions database) if there is a match. Claims 21 and 29 recite similar features (claim 29 is, however, a method claim). Claims 2-8, 33 and 34 depend from claim 1. Claim 30 depends from claim 29.

The DTC reference, on the other hand, neither teaches nor suggests, and in fact teaches away from, matching of information in the NOE and the II. Rather, in the DTC reference, trade settlement instructions (i.e., trade input) is input after trade execution and during the trade settlement process. The system matches that trade input to the II. See The Depository Trust Company filing, page 20, lines 5-6. This system facilitates trade settlement only by reducing the number of steps related to the *traditional confirmation/affirmation* process of the trade settlement. Such a trade settlement system can be referred to as "Matching I".

In Matching I, upon a trade execution, a NOE is sent from the broker to the institution via The Depository Trust Company (The DTC). Upon receipt of the NOE by the institution, the institution sends an II to the broker, again via The DTC. At this point, the broker must enter trade settlement instructions (i.e., the trade data received from the broker dealer) for the trade and send them to The DTC. See The Depository Trust Company filing, page 4 of 72, page 29 of 72, page 19 of 72 line 30 to page 20 line 3. This step is required by Matching I as The DTC then matches this further information to the II. See The Depository Trust Company filing, page 20, lines 5-6, and page 50, lines 3-4. If a match occurs, The DTC sends either a "matched affirmed" or "matched" confirmation, thus supplanting the traditional confirmation/ affirmation process. See The Depository Trust Company filing, page 20, lines 6-12, and page 50, lines 11-15. Accordingly, the DTC reference neither teaches nor suggests automatically matching received *notice of execution* information from a broker with *institution allocation instruction* information from an institution.

The Examiner apparently relies on the page 4 of 72, lines 14-16 of

DTC reference as disclosing Applicants recited match. Respectfully, this portion of the DTC reference does *not* describe matching an institution communication with a broker communication that *contains a notice of order execution*. Instead, this portion describes matching institution instructions with trade data received from the broker-dealer. Nowhere does DTC reference even suggest that this trade data is received in a communication containing a notice of order execution.

Furthermore, claim 1 recites the following:

. . . a standing instructions database containing sets of instructions for trade settlement input by the institution, the broker and the agent prior to the securities trade . . .

Claims 21 and 29 recite similar features. In accordance with the present invention, Matching II, as recited in claims 1, 21 and 29 (and claims depending therefrom) allows parties to the trade (i.e., the broker, the institution and/or agent) to input sets of instructions for trade settlements into the standing instructions database (SID) at a time before the trade occurs. Building upon such previous input of the trade settlement information by the parties, Matching II, as recited, upon a match of information in the NOE and II, generates a confirmation based upon that matched information and the trade settlement information. In particular, claims 1, 21 and 29 recite "if there is a match, generating a confirmation for the trade based on information contained in the broker communication, information contained in the institution communication and information stored in the standing instructions database."

Thus, in Matching II, upon a trade execution, a notice of execution (NOE) is sent by the broker to the institution via the processing computer. Upon received of the NOE by the institution, the institution sends an institution allocation instruction (II) to the broker, again via the processing computer. At this point, the processing computer matching information contained in each communication (i.e., the NOE and the II) and, if there is a match, generates a confirmation based on the information contained in each of the two communications and, if necessary, the information previously stored in the SID by the parties to the trade (i.e., the instructions for the trade settlement). In this manner then, the parties to the trade can immediately effect an exchange of funds and securities (i.e., trade settlement) according to the delivery instructions set forth in the confirmation.

The DTC reference, on the other hand, neither teaches nor suggests, and in fact teaches away from, matching of information in the NOE and the II, input of the

trade settlement instructions before trade execution, and the subsequent addition of that information to the confirmation. Rather, the DTC reference still requires input of trade settlement instructions (i.e., trade input) after trade execution and during the trade settlement process, matches that trade input to the II, and facilitates trade settlement by reducing the number of steps related to the traditional confirmation/affirmation process of the trade settlement.

As noted above, in Matching I, upon a trade execution, a NOE is sent from the broker to the institution via The Depository Trust Company. Upon receipt of the NOE by the institution, the institution sends an II to the broker, again via The Depository Trust Company. As this point, the broker must enter trade settlement instructions (i.e., the trade data received from the broker-dealer) for the trade and send them to The Depository Trust Company. See The Depository Trust Company filing, page 19, line 30 to page 20, line 3. This step is required by Matching I as the Depository Trust Company then matches this information to the II. See The Depository Trust Company filing, page 20, lines 6-12, and page 50, lines 11-15.

The Hawkins patent does not cure the above-described deficiencies of the DTC reference, nor does the Examiner rely on the Hawkins patent for such.

In view of the foregoing, it is respectfully submitted that none of claims 1-8, 21, 29, 30, 33 and 34 is rendered obvious by the DTC reference in view of the Hawkins patent. Reversal of the rejection of claims 1-8, 21, 29, 30, 33 and 34 under 35 U.S.C. § 103 over the DTC reference in view of the Hawkins patent is, therefore, requested.

2. Group II

Claim 9 recites the following:

a processing computer configured to (i) receive a notice of order execution communication from the broker (a broker communication) containing data fields with information concerning an executed trade; (ii) receive a institution allocation instruction communication from the institution (an institution communication) containing data fields concerning the executed trade; where some of the data fields within the institution communication corresponds to data fields within the broker communication; and (iii) match the broker communication and the institution communication by matching

data within a preselected set of the corresponding data fields in the broker and institution communications.

Claims 12 and 22 recite similar subject matter (although claim 22 is a method claim). Claims 23-28, 35 and 36 depend from claim 22.

In accordance with claim 9, a processor matches a "broker communication," i.e., a notice of order execution communication from a broker, and a "institution communication," i.e., a institution allocation instruction communication from an institution. With respect to this feature, the Examiner relies on the DTC reference. However, as discussed above in connection with claim 1, nothing with the DTC reference even suggests such matching. The DTC reference describes, for example, matching institution instructions with trade data received from the broker-dealer. This trade data, however, does not include a notice of order execution. The Hawkins patent does not cure this deficiency.

In view of the foregoing, it is respectfully submitted that the DTC reference and the Hawkins patent do not render obvious claim 9, 12, 22, 23-28, 35 and 36. Reversal of the rejection of claim 9, 12, 22, 23-28, 35 and 36 under 35 U.S.C. § 103 over the DTC reference in view of the Hawkins patent is, therefore, requested.

3. Group III

Claim 13 recites specific data fields of the broker communication and the institution communication. These data fields are fields from a *notice of executed order* and an *institution allocation instruction*, respectively. Similar to the discussion above in connection with claim 1, it is respectfully submitted that nothing within the DTC reference even suggests matching communications which contain these specific fields. As indicated above, the trade data in the DTC reference does not include, for example, fields from a notice of executed order. The Hawkins patent does not cure these deficiencies.

In view of the foregoing, it is respectfully submitted that claim 13 is not obvious over the DTC reference in view of the Hawkins patent. Reversal of the rejection of claim 13 under 35 U.S.C. § 103 over the DTC reference in view of the Hawkins patent is, therefore, requested.

4. Group IV

Claim 31 recites similar features as discussed above in connection with

claim 1, except that claim 31 recites that the processing computer receives a series of communications from the broker containing notice of order execution information. Claim 32 depends from claim 31. The series includes a last broker communication. At the processing computer an institution communication is matched with the last broker communication (from the series) based on information contained in both communications. In addition to the discussion above in connection with claim 1, it is respectfully submitted that neither the DTC reference nor the Hawkins patent even suggests this feature of claim 31.

In view of the foregoing, it is respectfully submitted that neither claim 31 nor claim 32 is obvious over the DTC reference in view of the Hawkins patent. Reversal of the rejection of claims 31 and 32 under 35 U.S.C. § 103 over the DTC reference in view of the Hawkins patent is, therefore, requested.

B. ISSUE B

Claims 14-17 and 19-20 stand rejected under 35 U.S.C. § 103 as being obvious over the DTC reference in view of the Lupien patent. It is respectfully submitted that neither the DTC reference nor the Lupien patent, alone or combined, renders obvious any of claims 14-17, and 19-20, for at least the following reasons.

Group I

As an initial matter, it is respectfully submitted that there is no suggestion to combine the DTC reference with the Lupien patent. In particular, the DTC reference relates to trade *settlement*. In sharp contrast, the Lupien patent relates to matching *buy and sell orders* based on a satisfaction and quantity profile. A person of skill in the art, seeking to improve the system described in the DTC reference, would not look to a system that matches buy and sell orders. These two systems simply relate to different types of processes at different stages in the trade.

Moreover, claim 14 recites similar subject matter to that discussed above in connection with claim 1. Claims 15-17, 19 and 20 depend from claim 14. Accordingly, arguments presented above in connection with claim 1 and the DTC reference apply also to claims 14-17, 19 and 20. The Lupien patent does not cure the noted deficiencies.

In view of the foregoing, it is respectfully submitted that the DTC

patent and the Lupien patent do not render obvious any of claims 14-17 and 19-20.

Reversal of the rejection of claims 14-17 and 19-20 under 35 U.S.C. § 103 as obvious over the DTC reference in view of the Lupien patent, is, therefore, requested.

C. ISSUE C

Group I

Claim 18 stands rejected under 35 U.S.C. § 103 as being obvious over the DTC reference in view of the Lupien patent and in further view of the Hawkins patent.

As an initial matter, claim 18 depends from claim 14. Thus, the arguments presented above in connection with claim 14 and the DTC reference and the Lupien patent apply equally to claim 18. The Hawkins patent does not cure the above-noted deficiencies of the DTC reference and the Lupien patent.

In view of the foregoing, it is respectfully submitted that the DRC reference in view of the Lupien patent and in further view of the Hawkins patent does not render obvious claim 18. Reversal of the rejection of claim 18 under 35 U.S.C. § 103 over the DTC reference, the Lupien patent and the Hawkins patent is, therefore, requested.

9. CONCLUSION

For at least the reasons indicated above, Appellant respectfully submits that the art of record does not teach or suggest Appellant's invention as recited in the claim of

the above-identified application. Accordingly, it is respectfully submitted that the invention recited in the claims of the present application is new, non-obvious and useful. Reversal of the Examiner's rejections of the pending claims is therefore respectfully requested.

Respectfully submitted,

Dated: 19 Nov 2000

By: 

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APPENDIX

1. A system for settlement of a securities trade by obtaining agreement as to the details of the trade among a broker, institution, agent and interested parties comprising:

- a. a computer system which enables the broker, institution, agent and interested parties to send and receive communications;
- b. a standing instructions database containing sets of instructions for trade settlement input by the institution, the broker and the agent prior to the securities trade;
- c. a processing computer within the computer system, which is coupled to the standing instruction database and which is configured to:
 - i. receive a communication from the broker containing notice of order execution information (a broker communication);
 - ii. receive a communication from the institution containing institution allocation instruction information (an institution communication);
 - iii. match, at the processing computer, the institution communication with the broker communication based on information contained in both communications;
 - iv. if there is a match, generate a confirmation for the trade based on information contained in the broker communication, information contained in the institution communication and information stored in the standing instructions database; and
 - v. make available, from the processing computer, the confirmation as a communication to the institution, broker, agent and

interested parties for the exchange of money and securities to settle the trade.

2. The system of claim 1 where the broker communication and the institution communication each contain the data fields of:

- a. an institution identification number;
- b. a broker identification number;
- c. a security identification number;
- d. a buy/sell code;
- e. a number of shares or face value; and
- f. a settlement amount;

and the processing computer matches the broker communication with the institution communication based on at least those fields.

3. The system of claim 1 in which the broker communication contains a unique identification number for that communication and the institution communication comprises a data field to reference the unique identification number of the broker communication and the processing computer matches the broker communication and the institution communication on the basis of the unique broker communication identification number.

4. The system of claim 1 in which the information in the standing instruction database contains (i) records for internal customer account numbers of the institution's accounts and corresponding internal account numbers used by the broker for those accounts and (ii) a record to link those internal account numbers and if there is a match, the processing computer generates the confirmation by accessing the record that links the internal account number and the database on those account numbers.

5. The system of claim 1 in which the broker communication and the institution communication both contain a data field indicating a settlement amount for the trade, the institution communication additionally contains a tolerance data field which specifies a tolerance value by which a match based on settlement amount could vary and the processing computer matches the broker communication and the institution communication so long as the settlement amounts vary only by an amount within the tolerance.

6. The system of claim 1 in which the institution communication contains a data field which indicates that the institution is the affirming party for the trade and the processing computer generates a confirmation which contains this indication in a data field.

7. The system of claim 1 in which the processing computer is coupled to a match database into which the processing computer stores the broker communication and retrieves it before attempting to match the broker communication with the institution communication.

8. The system of claim 1 in which the processing computer is coupled to a match database into which the processing computer stores the institution communication and stores it before attempting to match the broker communication of the broker with the institution communication.

9. A computer-based system for settlement of a securities trade among an institution, broker, agent and interested parties, the system comprising:

a processing computer configured to (i) receive a notice of order execution communication from the broker (a broker communication) containing data fields with information concerning an executed trade; (ii) receive a institution allocation instruction communication from the institution (an institution communication) containing data fields concerning the executed trade; where some of the data fields within the institution communication corresponds to data fields within the broker communication; and (iii) match the broker communication and the institution communication by matching data within a preselected set of the corresponding data fields in the broker and institution communications.

12. A system for settlement of a securities trade among a broker, institution, agent and interested parties comprising:

- a. a computer system which enables the broker, institution, agent and interested parties to send and receive communications;
- b. a processing computer within the computer system which is configured to:
 - i. receive a communication from the broker containing notice of order execution information (a broker communication);
 - ii. receive a communication from the institution containing institution allocation instruction information (an institution communication);
 - iii. match, at the processing computer, the institution communication with the broker communication based on information contained in both communications;
 - iv. if there is a match, generate a confirmation for the trade based on information contained in the broker communication and information contained in the institution communication; and
 - v. make available, from the processing computer, the confirmation as a communication to the institution, broker, agent and interested parties for the settlement of the trade.

13. In a computerized communication system used to exchange communications between a broker and an institution in the settlement of a securities trade:

- a. a broker communication containing data within data fields designated by:

institution identification number;
broker identification number;
security identification number;
buy/sell code;
number of shares or face value;
settlement amount;
trade date; and
settlement date,

- b. an institution communication containing data within data fields designated by:

institution identification number;
broker identification number;
security identification number;
buy/sell code;
number of shares or face value;
settlement amount;
trade date; and
settlement date, and

- c. a computer processor which compares the data within data fields of the broker communication with the data within data fields of the institution communication and if the data matches, generates a confirmation for the trade and makes that confirmation available from the computer processor to the institution, broker, agent and interested parties for the settlement of the trade.

14. In a computerized communication system for exchanging post-trade information between the parties necessary for the settlement of a securities trade, the apparatus comprising:

- a. a trade confirmation communications system configured to receive, process and transmit communications from and to the parties;

- b. a standing instructions data base coupled to the trade confirmation communications system having at least one data table for storing a plurality of information related to the trade stored by at least one of the parties prior to the securities trade;
- c. a matching controller coupled to and within the trade confirmation communications system configured to match a trade communication containing notice of order execution information from one of the parties to a communication containing a trade allocation information from another one of the parties; and
- d. the trade confirmation communications system further configured to generate a confirmation based on information within the received communication and information stored within the standing instruction database.

15. The apparatus of claim 14, wherein the standing instructions database further comprises:

- at least one institution information data table;
- at least one broker information data table;
- at least one agent information data table;
- at least one broker/institution link data table; and
- at least one broker confirmation information data table.

16. The enhanced matching apparatus according to claim 14, wherein the standing instructions database further comprises at least one institution information data table and wherein at least one institution information data table is for storing institution and account information.

17. The enhanced matching apparatus according to 14, wherein the standing instructions database further comprises at least one institution information data table and wherein the at least one broker/dealer information data table is for storing settlement information.

18. The enhanced matching apparatus according to claim 14, wherein the standing instructions database further comprises at least one institution information data table and wherein the at least one broker/institution link data table is for storing a set of cross-

references between the broker account and the institution customer account.

19. The enhanced matching apparatus according to claim 14, wherein the standing instructions database further comprises at least one institution information data table and wherein at least one broker information data table is for broker confirmation information.

20. The enhanced matching apparatus according to claim 14, wherein the related data storage data table further comprises:

at least one file containing the names and addresses of the trading parties.

21. A system executing post-trade communications in the settlement of a securities trade among a broker, institution, agent and interested parties comprising:

- a. computer hardware and software means to enable the broker, institution, agent and interested parties to send and receive communications;
- b. means to state a set of standing instruction records containing sets of instructions for trade settlement input by the institution, the broker and the agent prior to the securities trade;
- c. computer hardware and software means to:
 - i. receive a communication from the broker containing notice of order execution information (a broker communication);
 - ii. receive a communication from the institution containing institution allocation instruction information (an institution communication);
 - iii. match, at the computer hardware and software means, the institution communication with the broker communication based on information contained in both communications;

- iv. if there is a match, generate a confirmation for the trade based on information contained in the broker communication, information contained in the institution communication and information stored in the standing instructions database; and
- v. make available, from the computer hardware and software means, the confirmation as a communication to the institution, broker, agent and interested parties for the exchange of money and securities to settle the trade.

22. A method for operating a computer to execute the communications necessary for settlement of a securities trade among a broker, institution, agent and interested parties, the method comprising the steps of:

- a. receiving a communication from the broker containing notice of order execution information (a broker communication);
- b. receiving a communication from the institution containing institution allocation instruction information (an institution communication);
- c. matching the institution communication with the broker communication based on information contained in both communications;
- d. if there is a match, generating a confirmation for the trade based on information contained in the broker communication, information contained in the institution communication; and
- e. making available, from a central location, the confirmation as a communication to the institution, broker, agent and interested parties for the exchange of money and securities to settle the trade.

23. The system of claim 22 where the broker communication and the institution communication each contain the data fields of:

- a. an institution identification number;
- b. a broker identification number;
- c. a security identification number;
- d. a buy/sell code;
- e. a share number/face value code; and
- f. a settlement amount;

and the matching step matches the broker communication with the institution communication based on at least those fields.

24. The method of claim 22 in which the broker communication contains a unique identification number for that communication and the institution communication comprises a data field to reference the unique identification number of the broker communication and the processing computer matches the broker communication and the institution communication on the basis of the unique broker communication identification number.

25. The method of claim 22 in which the broker communication and the institution communication both contain a data field indicating a settlement amount for the trade, the institution communication additionally contains a tolerance data field which specifies a tolerance value by which a match based on settlement amount could vary and the matching step matches the broker communication and the institution communication so long as the settlement amounts vary only by an amount within the tolerance.

26. The method of claim 22 in which the institution communication contains a data field

which indicates that the institution is the affirming party for the trade and step of confirmation generation yields a confirmation which contains this indication in a data field.

27. The method of claim 22 comprising the additional steps of storing the broker communication and retrieving it before matching the broker communication with the institution communication.

28. The method of claim 22, further comprising the steps of:

storing the institution communication and retrieving it before attempting to match the broker communication with the institution communication.

29. A method for operating a computer to execute the communications necessary for settlement of a securities trade among a broker, institution, agent and interested parties, the method comprising the steps of:

- a. receiving prior to the securities trade from one or more of the broker, institution and agent a set of instructions for trade settlement;
- b. a standing instructions database storing the instructions for trade settlements;
- c. receiving a communication from the broker containing notice of order execution information (a broker communication);
- d. receiving a communication from the institution containing institution allocation instruction information (an institution communication);
- e. matching the institution communication with the broker communication based on information contained in both communications;
- f. if there is a match, generating a confirmation for the trade based on information contained in the broker communication, information contained in the institution communication and information stored in the standing instructions database; and
- g. making available, from a central location, the confirmation as a communication to the institution, broker, agent and interested parties for settlement of the trade.

30. The method of claim 29 in which the step of storing information in the standing instruction database comprises the storing of (i) records for internal customer account numbers of the institution's accounts and corresponding internal account numbers used by the broker for those accounts and (ii) a record to link those internal account numbers and the step of generating a confirmation and comprises the further step of (i) accessing the record that links the internal account records and (ii) accessing the internal account number records based on that link.

31. A system for settlement of a securities trade by communicating the details of the trade among a broker, institution, agent and interested parties comprising:

- a. a computer system which enables the broker and institution to send and receive communications and make communications available to the agent and interested parties;
- b. a standing instructions database containing sets of instructions for trade settlement input by the institution, the broker and the agent prior to the securities trade;
- c. a processing computer within the computer system, which is coupled to the standing instruction database and which is configured to:
 - i. receive a series of communications from the broker containing notice of order execution information, the series including a last broker communication;
 - ii. receive a communication from the institution containing institution allocation instruction information (an institution communication);
 - iii. match, at the processing computer, the institution communication with the last broker communication based on information contained in both communications;

- iv. if there is a match, generate a confirmation for the trade based on information contained in the last broker communication, information contained in the institution communication and information stored in the standing instructions database; and
- v. make available, from the processing computer, the confirmation as a communication to the institution, broker, agent and interested parties for the exchange of money and securities to settle the trade.

32. The system of claim 31 where the institution communication and each communication in the series of broker communications each contain the data fields of:

- a. an institution identification number;
- b. a broker identification number;
- c. a security identification number;
- d. a buy/sell code;
- e. a number of shares or face value; and
- f. a settlement amount;

and the processing computer matches at least the last broker communication with the institution communication based on those fields.

33. The system of claim 1 in which information in the confirmation is used as settlement instructions by at least one of the institution, broker, agent and interested parties to settle the trade.

34. The system of claim 1 in which the confirmation is used as settlement instructions by at least one of the institution, broker, agent and interested parties to effect an exchange of funds and securities according to instructions in the confirmation.

35. The method of claim 22 in which information in the confirmation is used as settlement instructions by at least one of the institution, broker, agent and interested parties to settle the trade.

36. The method of claim 22 in which the confirmation is used as settlement instructions by at least one of the institution, broker, agent and interested parties to effect an exchange of funds and securities according to information in the confirmation.